

STAT

Mr. []

I don't see that the staff study or the attached documentation presents any real basis for the Finance Division to concur in the write-off of this sum. Although it may be decided by higher authority to grant relief on the basis of the other problems associated with assumption of responsibility for the station, I don't see that it is the proper function of the Finance Division to recommend such an action.

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Please also note Mr. [] comments re errors in the amounts involved.

The following points might be cited as a basis for non-concurrence:

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1. Sufficient importance was attached to the assumption of responsibility for the funds to have [] assist in the transfer. I do not see how the COS could have failed to recognize such a basic control feature as limited access to funds.
2. It is admitted that the funds were counted after his return from the trip, and that the shortage was discovered after this count while the COS was at the station. It must have occurred, therefore, at a time when he was at the station and could have controlled the situation.
3. In para 1 of [] attached, he states: "I attributed (the shortage) to some unrecorded transaction and questioned every member of the Station closely as to whether any funds had been paid out and not recorded." In para 2 of the same dispatch he states "...the staff would draw funds out of the cash box without preparing necessary vouchers and would finally submit vouchers frequently days and perhaps weeks later". We can only assume from this that every member of the station had access to the funds.
4. Although there may have been laxness and bad habits prior to the arrival of the COS, such habits would have been obvious to him on the day of his first cash count, and should have been discontinued immediately. To let such procedures continue for even such a short period as three weeks constitutes contributory negligency.

I can certainly sympathize with an individual who arrives at a station which has been indoctrinated to lax fiscal policies, but I don't see how we can recommend that his failure to institute immediate reforms be accepted as a justification for the shortage.

TBA

Questions:

1. Would Finance Division concurrence be limited to amounts only??
2. Could the liability for the shortage be reduced by the amount of the overage reported in January??